



Rural Health Clinic Program

Is it right for your clinic?

By Steve Wall, MBA, EA

What is a Rural Health Clinic?

Location

Rural Area

Census Bureau designation as “non-urbanized”
www.raconline.org/amirural/

Area of Need

Shortage Area

A Federally-designated Health Professional Shortage Area; Medically Underserved Area; Area designated by the State’s Governor as underserved. www.hpsa.hrsa.gov

Staff

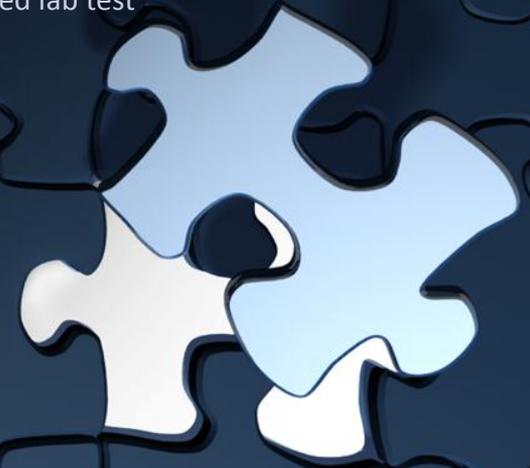
Staffing Requirements

A PA, NP, CNM must be on staff 50% of the time the clinic is open.

Services

Provision of Services

Delivering out-patient primary care service & provide 6 waived lab test



How do I know RHC is a good fit?

Preparing a Feasibility Study

1. Does my clinic meet the criteria?
2. Gathering Information
3. Preparing a Feasibility Study
4. Moving forward

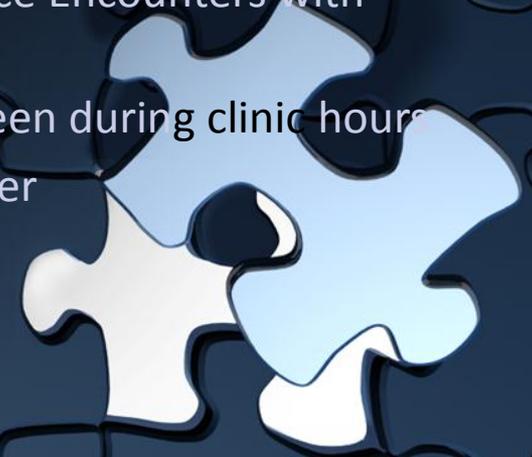


How do I know RHC is a good fit?

Gathering Information



- FINANCIAL DATA
 - YTD Trial Balance (Cost)
 - YTD Profit & Loss Statement
 - YTD Balance Sheet
 - Asset Listing (with Depreciation)
- Number of Patient Visits
 - Face to Face Encounters with Providers
 - Patients seen during clinic hours
 - Per Provider



How do I know RHC is a good fit?

Gathering Information

- Total Receipts Collected
 - Medicare (YTD)
 - Medicaid (YTD)
 - Other Insurance (YTD)
 - Self-Pay Patients



Feasibility Study – Step One

Feasibility Study

COST PER PATIENT VISIT (RHC)

- Calculate Avg. Cost per Visit
 - Total Cost/Total Visit encounters
 - Total of all Face to Face Encounter w/Provider
 - Total of Medicare Encounters
 - Total of Medicaid Encounters
 - Cost
 - Allowable cost – Cost associated with providing care to patients and administrative cost associated with operating a medical clinic
 - Reasonable cost – based on cost compared with other clinics in a region

REVENUE PER PATIENT VISIT (TRADITIONAL)

- Calculate Avg. Payment per Visit
 - Total Revenue/Total Visit encounters
 - Face to Face Encounter w/Provider
 - Break Revenue down by Payor
 - Revenue
 - Collected Revenue
 - Total for each Payor



Feasibility Study

Simple Calculation Comparison

Rural Health Clinic

Insurance Type	Medicare	Medicaid	Other	Total
% of total visits	40%	30%	30%	100%
Total Visits	3,200	2,400	2,400	8,000
All-Inclusive Rate	\$78.54	\$78.54	\$70	
Total Payments	251,328	188,496	168,000	607,824
Increase from Fee for Service	27,328	82,896	0	110,224
% of Increase				18%

Fee for Service Clinic

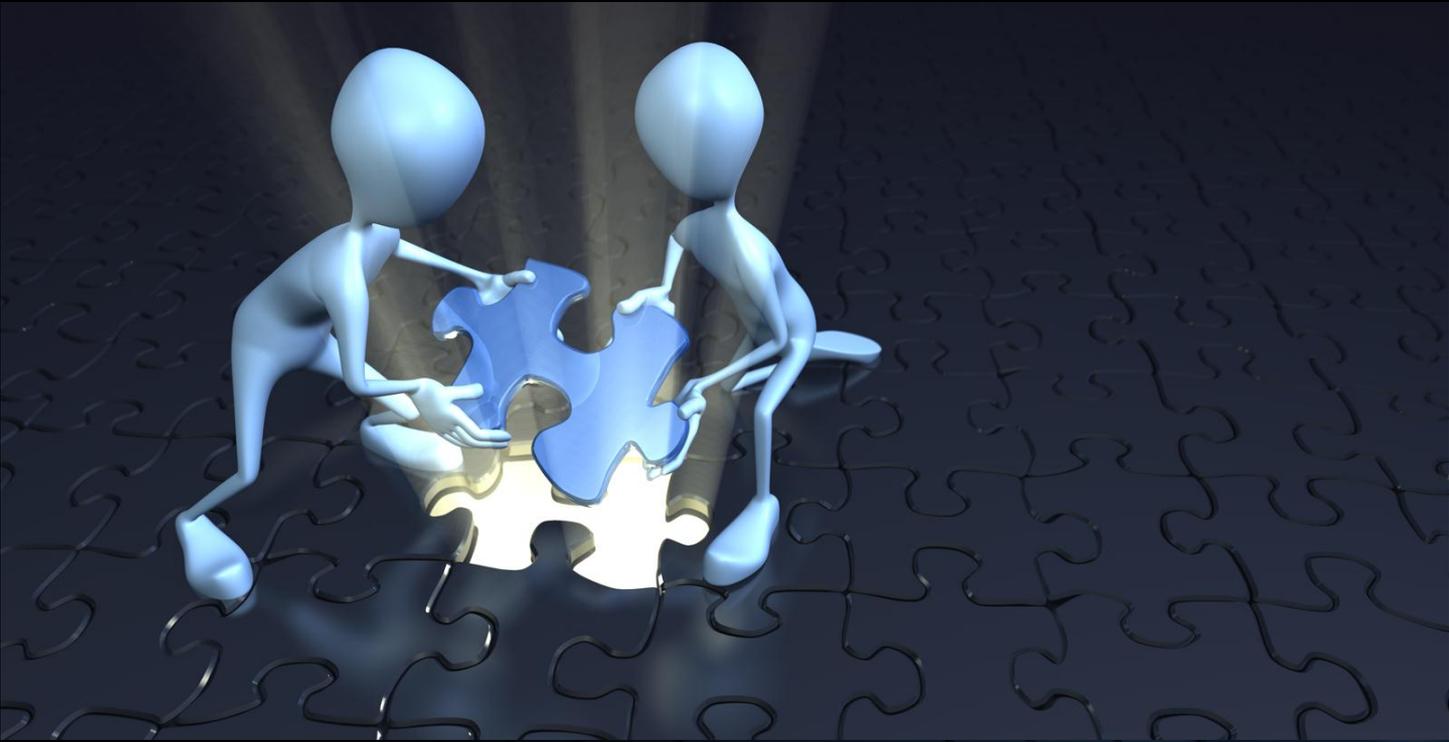
Insurance Type	Medicare	Medicaid	Other	Total
% of total visits	40%	30%	30%	100%
Total Visits	3,200	2,400	2,400	8,000
Avg. Payment	\$70	\$44	\$70	18
Total Payments	224,000	105,600	168,000	497,600

How do I know RHC is a good fit?

Moving Forward

1. Filing Application
2. Preparing Policy & Procedure Manuals
3. Preparing for On-Site Inspection
4. Setting your cost rate.





Questions?

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